

# Hornsby Shire Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2025

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# Hornsby Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2025

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Hornsby Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

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## Hornsby Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2025

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (NSW)

The attached General Purpose Financial Statements have been prepared in accordance with:

- the Local Government Act 1993 (NSW) and the regulations made thereunder,
- the Australian Accounting Standards issued by the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 10 September 2025.



W. Waddell  
Mayor  
10 September 2025



S. McClelland  
Deputy Mayor  
10 September 2025



S. Head  
General Manager  
10 September 2025



D. Chell  
Responsible Accounting Officer  
10 September 2025

## Hornsby Shire Council

## Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
	<b>Income from continuing operations</b>			
125,129	Rates and annual charges	B2-1	<b>126,012</b>	116,643
14,958	User charges and fees	B2-2	<b>16,427</b>	14,762
3,963	Other revenues	B2-3	<b>4,636</b>	4,179
9,174	Grants and contributions provided for operating purposes	B2-4	<b>13,562</b>	10,642
9,940	Grants and contributions provided for capital purposes	B2-4	<b>41,945</b>	(22,203)
10,271	Interest and investment income	B2-5	<b>12,548</b>	12,970
4,050	Other income	B2-6	<b>9,991</b>	5,759
<b>177,485</b>	<b>Total income from continuing operations</b>		<b>225,121</b>	142,752
	<b>Expenses from continuing operations</b>			
58,497	Employee benefits and on-costs	B3-1	<b>58,441</b>	54,031
71,796	Materials and services	B3-2	<b>72,268</b>	82,222
10	Borrowing costs		<b>23</b>	16
4,576	Other expenses	B3-4	<b>4,686</b>	4,813
—	Net loss from the disposal of assets		<b>1,211</b>	4,560
<b>134,879</b>	<b>Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets</b>		<b>136,629</b>	145,642
<b>42,606</b>	<b>Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets</b>		<b>88,492</b>	(2,890)
25,461	Depreciation, amortisation and impairment of non-financial assets	B3-3	<b>25,979</b>	25,107
<b>17,145</b>	<b>Operating result from continuing operations</b>		<b>62,513</b>	(27,997)
<b>17,145</b>	<b>Net operating result for the year attributable to Council</b>		<b>62,513</b>	(27,997)
<b>7,205</b>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>20,568</b>	(5,794)

The above Income Statement should be read in conjunction with the accompanying notes.

## Hornsby Shire Council

### Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
<b>Net operating result for the year – from Income Statement</b>		<b>62,513</b>	<b>(27,997)</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequent to operating result			
Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<b>54,265</b>	115,887
Gain/(loss) on defined benefit plan re-measurements	C3-3	<b>151</b>	50
<b>Total items which will not be reclassified subsequent to operating result</b>		<b>54,416</b>	<b>115,937</b>
Amounts which will be reclassified subsequent to operating result when specific conditions are met			
Realised (gain) loss on financial assets at fair value through other comprehensive income		<b>108</b>	266
<b>Total items which will be reclassified subsequent to operating result when specific conditions are met</b>		<b>108</b>	<b>266</b>
<b>Total other comprehensive income for the year</b>		<b>54,524</b>	<b>116,203</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b>117,037</b>	<b>88,206</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Hornsby Shire Council

## Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	64,970	60,080
Investments	C1-2	87,714	56,499
Receivables	C1-4	22,117	17,167
Inventories		198	191
Contract assets and contract cost assets		64	64
Other		1,535	1,323
<b>Total current assets</b>		<b>176,598</b>	<b>135,324</b>
<b>Non-current assets</b>			
Investments	C1-2	131,477	160,097
Receivables	C1-4	1,207	987
Infrastructure, property, plant and equipment (IPPE)	C1-5	2,336,720	2,237,754
Investment property	C1-6	41,100	36,790
Intangible assets		849	883
Right of use assets		275	356
<b>Total non-current assets</b>		<b>2,511,628</b>	<b>2,436,867</b>
<b>Total assets</b>		<b>2,688,226</b>	<b>2,572,191</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	15,375	13,877
Contract liabilities		2,849	2,658
Lease liabilities		80	80
Employee benefit provisions	C3-3	15,603	14,795
Provisions	C3-4	42,397	44,488
<b>Total current liabilities</b>		<b>76,304</b>	<b>75,898</b>
<b>Non-current liabilities</b>			
Contract liabilities		421	577
Lease liabilities		195	275
Employee benefit provisions	C3-3	1,210	1,509
Provisions	C3-4	17,836	18,709
<b>Total non-current liabilities</b>		<b>19,662</b>	<b>21,070</b>
<b>Total liabilities</b>		<b>95,966</b>	<b>96,968</b>
<b>Net assets</b>		<b>2,592,260</b>	<b>2,475,223</b>
<b>EQUITY</b>			
Accumulated surplus		1,387,318	1,324,321
IPPE revaluation surplus		1,204,870	1,150,938
Other reserves		72	(36)
<b>Council equity interest</b>		<b>2,592,260</b>	<b>2,475,223</b>
<b>Total equity</b>		<b>2,592,260</b>	<b>2,475,223</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## Hornsby Shire Council

## Statement of Changes in Equity

for the year ended 30 June 2025

\$ '000	Notes	2025				2024			
		Accumulated surplus	IPPE revaluation surplus	Financial assets at FVOCI	Total equity	Accumulated surplus	IPPE revaluation surplus	Financial assets at FVOCI	Total equity
Opening balance at 1 July		1,324,321	1,150,938	(36)	2,475,223	1,352,495	1,034,824	(302)	2,387,017
<b>Opening balance</b>		<b>1,324,321</b>	<b>1,150,938</b>	<b>(36)</b>	<b>2,475,223</b>	<b>1,352,495</b>	<b>1,034,824</b>	<b>(302)</b>	<b>2,387,017</b>
Net operating result for the year		62,513	–	–	62,513	(27,997)	–	–	(27,997)
<b>Net operating result for the period</b>		<b>62,513</b>	<b>–</b>	<b>–</b>	<b>62,513</b>	<b>(27,997)</b>	<b>–</b>	<b>–</b>	<b>(27,997)</b>
<b>Other comprehensive income</b>									
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	54,265	–	54,265	–	115,887	–	115,887
Realised (gain) loss on financial assets at fair value through other comprehensive income		–	–	108	108	–	–	266	266
– Disposal of infrastructure, property, plant and equipment		333	(333)	–	–	(227)	227	–	–
– Defined benefit plan re-measurements for the year		151	–	–	151	50	–	–	50
<b>Total comprehensive income</b>		<b>62,997</b>	<b>53,932</b>	<b>108</b>	<b>117,037</b>	<b>(28,174)</b>	<b>116,114</b>	<b>266</b>	<b>88,206</b>
<b>Closing balance at 30 June</b>		<b>1,387,318</b>	<b>1,204,870</b>	<b>72</b>	<b>2,592,260</b>	<b>1,324,321</b>	<b>1,150,938</b>	<b>(36)</b>	<b>2,475,223</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



## Hornsby Shire Council

## Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
124,966	Rates and annual charges		<b>125,574</b>	116,752
14,622	User charges and fees		<b>16,934</b>	16,542
13,446	Interest received		<b>12,405</b>	9,510
25,059	Grants and contributions		<b>26,435</b>	21,900
–	Bonds, deposits and retentions received		<b>33</b>	–
4,176	Other		<b>21,165</b>	21,965
<b>Payments:</b>				
(58,330)	Payments to employees		<b>(57,473)</b>	(53,872)
(70,843)	Payments for materials and services		<b>(86,218)</b>	(83,807)
(10)	Borrowing costs		<b>(23)</b>	(16)
–	Bonds, deposits and retentions refunded		<b>–</b>	(3)
(7,572)	Other		<b>(5,324)</b>	(5,296)
<b>45,514</b>	<b>Net cash flows from operating activities</b>	F1-1	<b>53,508</b>	43,675
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
–	Sale of investments		<b>116,568</b>	168,131
1,000	Proceeds from sale of IPPE		<b>1,057</b>	1,202
<b>Payments:</b>				
(19,828)	Purchase of investments		<b>(117,128)</b>	(121,550)
–	Purchase of investment property		<b>(259)</b>	(2,175)
(78,139)	Payments for IPPE		<b>(48,679)</b>	(68,925)
–	Purchase of intangible assets		<b>(98)</b>	–
<b>(96,967)</b>	<b>Net cash flows from investing activities</b>		<b>(48,539)</b>	(23,317)
<b>Cash flows from financing activities</b>				
<b>Payments:</b>				
(52)	Principal component of lease payments		<b>(79)</b>	(361)
<b>(52)</b>	<b>Net cash flows from financing activities</b>		<b>(79)</b>	(361)
<b>(51,505)</b>	<b>Net change in cash and cash equivalents</b>		<b>4,890</b>	19,997
60,080	Cash and cash equivalents at beginning of year		<b>60,080</b>	40,083
<b>8,575</b>	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>64,970</b>	60,080

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Hornsby Shire Council

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# Hornsby Shire Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 10 September 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* (Act) and *Local Government (General) Regulation 2021* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment and investment property.

#### **Significant accounting estimates and judgements**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of investment properties (Note C1-6)
- (ii) estimated fair values of infrastructure, property, plant and equipment (Note C1-5)
- (iii) employee benefit provisions (Note C3-3)
- (iv) provision for land remediation (Note C3-4)
- (v) provision for property acquisitions (Note C3-4)
- (vi) provision for repayment of grant funds (Note C3-4)

#### **Significant judgements in applying the Council's accounting policies**

- (i) Impairment of receivables (Note Note C1-4)
- (ii) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 Revenue from Contracts with Customers and / or AASB 1058 Income of Not-for-Profit Entities (Notes B2-2 - B2-4)
- (iii) Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease (Note C2-1)

### **Monies and other assets received by Council**

#### **The Consolidated Fund**

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The Consolidated Fund has been included in the financial statements of the Council.

Cash and other assets of the following activities have been included as part of the Consolidated Fund:

- general purpose operations
- domestic waste management
- all specific purpose grants and contributions.

## A1-1 Basis of preparation (continued)

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### The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)*, a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these reports. A separate statement of monies held in the Trust Fund is available for inspection at Council's offices by any person free of charge.

### New accounting standards and interpretations issued but not yet effective

#### New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2024.

AASB 18 Presentation and Disclosure in Financial Statements (AASB 18) has not been applied and is not yet effective. AASB 18 aims to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. AASB 18 will replace AASB 101 Presentation of Financial Statements.

AASB 18 introduces additional subtotals into the Statement of Profit or Loss as well as restructuring the statement into operating, investing and financing elements. Management performance measures are also required to be disclosed.

For not-for-profit public sector entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028 (ie. council's financial statements for the year ended 30 June 2029). While the impact of AASB 18 is not expected to have an effect on council's reported position or performance, the full impact (ie. the presentation and disclosure of council's financial statements) is yet to be determined by council.

There are other standards and amendments issued but not yet effective, the impacts of which are not anticipated to be material.

### New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2025. None of these standards had a significant impact on reported position or performance.

## B Financial Performance

### B1 Functions or activities

#### B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Functions or activities</b>										
General Managers Division	596	408	9,295	9,508	(8,699)	(9,100)	575	367	19	25
Corporate Support	15,003	10,177	38,105	45,123	(23,102)	(34,946)	1,711	908	414,549	396,065
Infrastructure & Major Projects	17,980	(18,223)	26,661	31,001	(8,681)	(49,224)	9,138	(25,513)	1,385,876	1,331,954
Community & Environment	79,348	46,758	73,820	71,100	5,528	(24,342)	31,903	3,426	871,882	828,330
Planning	14,143	9,940	14,727	14,017	(584)	(4,077)	8,255	4,067	1,017	1,096
General Purpose Income	98,051	93,692	–	–	98,051	93,692	3,925	5,184	–	–
Other	–	–	–	–	–	–	–	–	14,883	14,721
<b>Total functions and activities</b>	<b>225,121</b>	<b>142,752</b>	<b>162,608</b>	<b>170,749</b>	<b>62,513</b>	<b>(27,997)</b>	<b>55,507</b>	<b>(11,561)</b>	<b>2,688,226</b>	<b>2,572,191</b>

## B1-2 Components of functions or activities

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Details relating to the Council's functions or activities as reported in B1-1 are as follows:

### General Managers Division

Costs relating to the General Manager, risk and internal audit and strategy and place.

### Corporate Support

Revenue and costs relating to administration, finance, human resources, information technology, property management, fleet management, records management and customer service.

### Infrastructure & Major Projects

Revenue and costs relating to roads, bridges, footpaths, stormwater management, emergency services, engineering services, swimming centres and sports facilities.

### Community & Environment

Revenue and costs relating to parks & landscape, bushland care and restoration, water catchment remediation, community services, waste management, aged and disabled services, youth services and libraries.

### Planning

Revenue and costs relating to town planning, development assessments, Section 7.11 Development Contributions, subdivisions, companion animals management and compliance and certification services.

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2025	2024
<b>Ordinary rates</b>		
Residential	73,679	68,443
Farmland	744	695
Business	8,626	7,995
Major shopping centre	1,496	1,390
Less: pensioner rebates	(862)	(860)
<b>Rates levied to ratepayers</b>	<b>83,683</b>	<b>77,663</b>
Pensioner rate subsidies received	469	470
<b>Total ordinary rates</b>	<b>84,152</b>	<b>78,133</b>
<b>Special rates</b>		
Catchment remediation rate	4,226	3,926
Less: pensioner rebates	(67)	(66)
<b>Rates levied to ratepayers</b>	<b>4,159</b>	<b>3,860</b>
Pensioner rate subsidies received:		
– Other	23	23
<b>Total special rates</b>	<b>4,182</b>	<b>3,883</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	38,002	34,943
Section 611 charges	64	64
Less: pensioner rebates	(599)	(589)
<b>Annual charges levied</b>	<b>37,467</b>	<b>34,418</b>
Pensioner annual charges subsidies received:		
– Domestic waste management	211	209
<b>Total annual charges</b>	<b>37,678</b>	<b>34,627</b>
<b>Total rates and annual charges</b>	<b>126,012</b>	<b>116,643</b>

Council has used 2022 year valuations provided by the NSW Valuer General in calculating its rates.

#### Material accounting policy information

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are in substance a rates payment.

### B2-2 User charges and fees

\$ '000	2025	2024
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>		
Waste management services (non-domestic)	2,061	1,985
Sullage	13	20
<b>Total specific user charges</b>	<b>2,074</b>	<b>2,005</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>		
Inspection services	623	601
Planning and building regulation	3,481	3,418

continued on next page ...



## B2-2 User charges and fees (continued)

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
Registration fees	23	109
Regulatory fees	364	320
<b>Total fees and charges – statutory/regulatory</b>	<b>4,491</b>	<b>4,448</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>		
Community centres	1,037	888
Parking fees	263	257
Restoration charges	1,138	512
Swimming centres - term fees	3,864	3,463
Swimming centres - single admission fees	1,090	1,008
Indoor sports centre stadium	852	875
Library fees and charges	70	69
Park and oval hire fees	1,324	1,020
Credit card surcharges	118	119
Other	106	98
<b>Total fees and charges – other</b>	<b>9,862</b>	<b>8,309</b>
<b>Total other user charges and fees</b>	<b>14,353</b>	<b>12,757</b>
<b>Total user charges and fees</b>	<b>16,427</b>	<b>14,762</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised over time	5,188	4,483
User charges and fees recognised at a point in time	11,239	10,279
<b>Total user charges and fees</b>	<b>16,427</b>	<b>14,762</b>

### Material accounting policy information

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as single admission to aquatic and leisure centres, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as membership fees for aquatic and leisure centres the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

## B2-3 Other revenues

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
Fines – parking	2,618	2,439
Legal fees recovery – rates and charges (extra charges)	121	167
Diesel rebate	–	110
Recycling income (non-domestic)	54	60
Sales – general	456	430
Legal fees recovery – planning	31	–
Car park management	66	40
Florence mall income	98	53
Home modification	253	223
Insurance claim recoveries, rebates and incentives	138	205
Prosecutions and infringements	349	239
Vehicular crossing income	96	50
Other	356	163

**B2-3 Other revenues (continued)**

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
<b>Total other revenue</b>	<b>4,636</b>	<b>4,179</b>
<b>Timing of revenue recognition for other revenue</b>		
Other revenue recognised at a point in time	4,636	4,179
<b>Total other revenue</b>	<b>4,636</b>	<b>4,179</b>

**Material accounting policy information for other revenue**

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

**B2-4 Grants and contributions**

<b>\$ '000</b>	<b>Operating 2025</b>	<b>Operating 2024</b>	<b>Capital 2025</b>	<b>Capital 2024</b>
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>Financial Assistance Grant</b>				
- Relating to current year	899	298	-	-
- Prepayment received in advance for subsequent year	3,027	4,886	-	-
<b>Amount recognised as income during current year</b>	<b>3,926</b>	<b>5,184</b>	<b>-</b>	<b>-</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Bushfire and emergency services	810	518	-	-
Community care	5	5	-	-
Economic development	213	-	-	-
Employment and training programs	16	31	-	-
Environmental programs	162	150	-	98
Library subsidy	490	490	-	-
Recreation and culture	-	-	3,739	1,996
Street lighting	375	367	-	-
Storm damage	2,343	-	-	-
Transport (roads to recovery)	1,133	963	-	-
Transport (other roads and bridges funding)	1,222	767	932	6,431
Aged and disabled	654	652	-	-
Bushland	420	68	-	-
Parks and gardens	83	60	4,639	1,193
Waste and recycling	543	-	-	-
Aquatic Centres	-	-	-	-
Stronger Communities funding – Westleigh	-	-	(1,013)	(36,302)
Other specific grants	40	145	-	301
Employee vehicle contributions	540	520	-	-
Dedications	-	276	-	-
Other contributions	587	233	106	274
<b>Non-cash contributions</b>				
Bushfire services	-	-	945	-
Parks and gardens	-	-	24,572	-
Other councils – joint works/services	-	213	-	-
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>9,636</b>	<b>5,458</b>	<b>33,920</b>	<b>(26,009)</b>

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**B2-4 Grants and contributions (continued)**

<b>\$ '000</b>	<b>Operating 2025</b>	<b>Operating 2024</b>	<b>Capital 2025</b>	<b>Capital 2024</b>
<b>Total grants and non-developer contributions</b>	<b>13,562</b>	<b>10,642</b>	<b>33,920</b>	<b>(26,009)</b>
<b>Comprising:</b>				
– Commonwealth funding	6,170	6,815	251	637
– State funding	5,611	1,738	6,246	(27,948)
– Other funding	1,781	2,089	27,423	1,302
	<b>13,562</b>	<b>10,642</b>	<b>33,920</b>	<b>(26,009)</b>

**Developer contributions**

<b>\$ '000</b>	<b>Notes</b>	<b>Operating 2025</b>	<b>Operating 2024</b>	<b>Capital 2025</b>	<b>Capital 2024</b>
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>	F4				
<b>Cash contributions</b>					
S 7.11 – contributions towards amenities/services		–	–	8,025	3,806
<b>Total developer contributions – cash</b>		<b>–</b>	<b>–</b>	<b>8,025</b>	<b>3,806</b>
<b>Total developer contributions</b>		<b>–</b>	<b>–</b>	<b>8,025</b>	<b>3,806</b>
<b>Total contributions</b>		<b>–</b>	<b>–</b>	<b>8,025</b>	<b>3,806</b>
<b>Total grants and contributions</b>		<b>13,562</b>	<b>10,642</b>	<b>41,945</b>	<b>(22,203)</b>
<b>Timing of revenue recognition</b>					
Grants and contributions recognised over time		654	652	–	–
Grants and contributions recognised at a point in time		12,908	9,990	41,945	(22,203)
<b>Total grants and contributions</b>		<b>13,562</b>	<b>10,642</b>	<b>41,945</b>	<b>(22,203)</b>

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	10,522	16,728	12,892	18,213
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	5,189	6,760	3,585	2,990
<b>Add:</b> Funds received and not recognised as revenue in the current year	513	567	–	–
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(7,017)	(13,056)	(6,268)	(8,311)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(456)	(477)	–	–
<b>Unspent funds at 30 June</b>	<b>8,751</b>	<b>10,522</b>	<b>10,209</b>	<b>12,892</b>

Capital grants for specific purposes are held as restricted assets until capital expenditure that meets the requirements of the grant agreement is incurred. The majority of capital grants are for the construction of infrastructure assets.

### Development Contributions

Unspent funds at 1 July	–	–	85,640	83,782
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	12,643	8,062
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(12,507)	(6,204)
<b>Unspent contributions at 30 June</b>	<b>–</b>	<b>–</b>	<b>85,776</b>	<b>85,640</b>

### Material accounting policy information

#### Grants and contributions - enforceable agreement with sufficiently specific performance obligations

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue are recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement and payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input method (e.g. expenses incurred) is deemed to be the most appropriate methods to reflect the transfer of benefit.

#### Other grants and contributions

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

## B2-4 Grants and contributions (continued)

### Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For grant agreements where these conditions do not exist revenue is recognised when funds are received by Council.

### Developer Contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules.

## B2-5 Interest and investment income

\$ '000	2025	2024
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	245	189
– Cash and investments	12,303	12,781
<b>Total interest and investment income</b>	<b>12,548</b>	<b>12,970</b>

## B2-6 Other income

\$ '000	Notes	2025	2024
<b>Fair value increment on investments</b>			
Fair value increment/(decrement) on investments through profit and loss		1,927	1,422
<b>Total Fair value increment/(decrement) on investments</b>		<b>1,927</b>	<b>1,422</b>
<b>Fair value increment on investment properties</b>			
Fair value (decrement)/increment on investment properties		4,051	795
<b>Total fair value increment on investment properties</b>	C1-6	<b>4,051</b>	<b>795</b>
<b>Rental income</b>			
<b>Investment properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		1,338	1,009
<b>Total investment properties</b>		<b>1,338</b>	<b>1,009</b>
<b>Other lease income</b>			
Properties classified as IPPE		2,675	2,533
<b>Total other lease income</b>		<b>2,675</b>	<b>2,533</b>
<b>Total rental income</b>		<b>4,013</b>	<b>3,542</b>
<b>Total other income</b>		<b>9,991</b>	<b>5,759</b>

## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	52,949	48,605
Employee leave entitlements (ELE)	1,613	1,317
Superannuation	6,072	5,678
Superannuation – defined benefit plans	12	22
Workers' compensation insurance	973	940
Fringe benefit tax (FBT)	116	110
Other	396	446
<b>Total employee costs</b>	<b>62,131</b>	<b>57,118</b>
Less: capitalised costs	(3,690)	(3,087)
<b>Total employee costs expensed</b>	<b>58,441</b>	<b>54,031</b>

#### Material accounting policy information

##### Superannuation plans

Council participates in two defined benefit plans under Active Super and the NSW Public Sector Superannuation Scheme. Sufficient information to account for the Local Government Superannuation Scheme as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans. Sufficient information is available to account for the historic NSW Public Sector Superannuation Scheme, which is accounted for in line with AASB 119 - Employee Benefits. Full disclosure in line with this standard is included within the C3-3 Employee benefit provisions note.

### B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		2,621	2,530
Building maintenance		1,481	1,666
Bush regeneration		2,665	1,592
Community centres		122	135
Computer support		3,844	3,296
Consultants		3,517	2,914
Contractors - environmental remediation of Foxglove Oval		2,825	11,685
Contractor and agency fees		1,503	5,656
Contracts – electrical		861	654
Contracts – grass cutting		784	805
Contracts – plumbing		467	605
Contracts – property management		193	214
Contracts – tree work		1,178	1,010
Drainage maintenance		418	706
Election expense		1,045	–
External plant and equipment hire		361	267
Footpath maintenance		199	297
Foreshore facilities		279	271
Garbage collection, tipping and recycling		30,161	29,577
Home modification service		95	113
Maintenance of parks		748	599
Mechanical services		560	680
Property cleaning		1,168	1,085
Road maintenance		2,019	2,279
Stormwater asset maintenance		802	953
Audit Fees	E2-1	132	129
Advertising		140	118
Councillor and Mayoral fees and associated expenses	E1-2	386	368
Electricity and heating		1,404	1,464
Postage		289	226

**B3-2 Materials and services (continued)**

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
Insurance	<b>2,098</b>	1,977
Printing and stationery	<b>517</b>	526
Street lighting	<b>1,545</b>	1,890
Subscriptions and publications	<b>691</b>	630
Telephone and communications	<b>371</b>	461
Valuation fees	<b>326</b>	363
Training costs (other than salaries and wages)	<b>608</b>	591
Bank charges and cash collection expenses	<b>411</b>	378
Licences and registration	<b>438</b>	326
Water and sewerage	<b>828</b>	862
<b>Legal expenses:</b>		
– Legal expenses: planning and development	<b>211</b>	411
– Legal expenses: other	<b>639</b>	523
Expenses from leases of low value assets	<b>82</b>	167
Other	<b>1,236</b>	1,223
<b>Total materials and services</b>	<b>72,268</b>	<b>82,222</b>

### B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2025	2024
<b>Depreciation and amortisation</b>			
Plant and equipment		1,825	1,820
Office equipment		245	225
Furniture and fittings		126	70
Land improvements (depreciable)		1,283	2,494
<b>Infrastructure:</b>	C1-5		
– Buildings – non-specialised		2,902	2,599
– Buildings – specialised		2,733	2,227
– Other structures		1,294	1,278
– Roads		7,671	7,101
– Bridges		386	368
– Footpaths		792	751
– Stormwater drainage		4,494	4,306
– Water supply network		8	7
– Swimming pools		1,183	521
Right of use assets	C2-1	80	357
<b>Other assets:</b>			
– Catchment remediation assets		381	366
– Library books		444	465
Intangible assets		132	130
<b>Total depreciation and amortisation costs</b>		<b>25,979</b>	<b>25,085</b>
<b>Impairment / revaluation decrement of IPPE</b>			
<b>Infrastructure:</b>	C1-5		
Buildings – specialised		–	22
<b>Total IPPE impairment / revaluation decrement costs charged to Income Statement</b>		<b>–</b>	<b>22</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>25,979</b>	<b>25,107</b>

#### Material accounting policy information

##### Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136 Impairment of Assets. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### B3-4 Other expenses

\$ '000	2025	2024
<b>Impairment of receivables</b>		
Other	39	48
<b>Total impairment of receivables</b>	<b>39</b>	<b>48</b>
<b>Other</b>		
Contributions/levies to other levels of government		
– Department of planning levy	316	306
– Emergency services levy (includes FRNSW, SES, and RFS levies)	542	698
– NSW fire brigade levy	2,312	2,315
– NSW rural fire service levy	1,069	1,086

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**B3-4 Other expenses (continued)**

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
– NSW state revenue infringement processing fees	<b>358</b>	313
Donations, contributions and assistance to other organisations (Section 356)	<b>50</b>	47
<b>Total other expenses</b>	<b>4,686</b>	<b>4,813</b>

**Material accounting policy information**

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

## B4 Performance against budget

### B4-1 Material budget variations

Council's original budget was adopted by the Council on 12 June 2024 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

**Material variations of more than 10%** between original budget and actual results or where the variance is considered material by nature are explained below.

**Variation Key:** **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
<b>Revenues</b>				
Rates and annual charges	125,129	126,012	883	1% <b>F</b>
User charges and fees	14,958	16,427	1,469	10% <b>F</b>
Other revenues	3,963	4,636	673	17% <b>F</b>
Other revenues are greater than budgeted largely due parking fine income which was \$440k greater than budgeted.				
Operating grants and contributions	9,174	13,562	4,388	48% <b>F</b>
Revenue from operating grants is greater than budgeted due to grant funding received which was unknown at the time of budget preparation including \$2.5m of storm recovery grants, a contribution of \$0.5m in relation to food and garden organics waste, and a number of grants relating to road resurfacing and improvements.				
Capital grants and contributions	9,940	41,945	32,005	322% <b>F</b>
Revenue from capital grants and contributions is greater than budgeted largely due to a non cash contribution of land to Council with a value of \$22.8m. In addition to this, grant funding was received which was unknown at the time of budget preparation including development contributions that were \$3.1m greater than budgeted, \$4.1m relating to Brooklyn boardwalk and \$1.6m in relation to buildings at Greenway Park.				
Interest and investment revenue	10,271	12,548	2,277	22% <b>F</b>
Interest and investment revenue is greater than budgeted due to a higher than expected cash rate that had a positive impact on returns earned from Council's cash and investment products.				
Other income	4,050	9,991	5,941	147% <b>F</b>
Other income is greater than budgeted as Council recognised an increase in the fair value of its investment properties and floating rate notes that were \$3.8m and \$1.3m respectively higher than budgeted. In addition to this property rental income from commercial leases was \$0.6m greater than budgeted.				
<b>Expenses</b>				
Employee benefits and on-costs	58,497	58,441	56	0% <b>F</b>
Materials and services	71,796	72,268	(472)	(1)% <b>U</b>
Borrowing costs	10	23	(13)	(130)% <b>U</b>
The actual result for Borrowing costs is greater than budgeted and relates to leases accounted for under the requirements of AASB 16 - Leases. Council has no loans at 30 June 2025.				
Depreciation, amortisation and impairment of non-financial assets	25,461	25,979	(518)	(2)% <b>U</b>
Other expenses	4,576	4,686	(110)	(2)% <b>U</b>
Net losses from disposal of assets	–	1,211	(1,211)	∞ <b>U</b>

**B4-1 Material budget variations (continued)**

<b>\$ '000</b>	<b>2025 Budget</b>	<b>2025 Actual</b>	<b>2025 ----- Variance -----</b>
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Council has disposed of a number of infrastructure assets during the year which have been renewed as capital work has been completed. No consideration is received for these assets and the loss is the result of disposing of the remaining written down value of these assets from Councils fixed asset register. As these transactions are non cash there is no allocation within the budget.

**Statement of cash flows**

<b>Cash flows from operating activities</b>	<b>45,514</b>	<b>53,508</b>	<b>7,994</b>	<b>18%</b>	<b>F</b>
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Cash flows from operating activities are greater than in Council's Long Term Financial Plan (LTFP) due to cash inflows from user fees and charges which were \$2.3m higher than budgeted. This is in line with the increase in the Income Statement. In addition, works on the environmental remediation of Foxglove Oval have progressed slower than forecasted resulting in lower expenditure than originally forecasted.

<b>Cash flows from investing activities</b>	<b>(96,967)</b>	<b>(48,539)</b>	<b>48,428</b>	<b>(50)%</b>	<b>F</b>
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Net cash flows from investing activities differs to the budget as Council does not budget for the purchase and sale of individual investment securities as the classification and term of investments is only known when an investment is selected, which is largely based on the best return available at the time. In addition payments for IPP&E were less than expected as the entire capital works program was not realised.

<b>Cash flows from financing activities</b>	<b>(52)</b>	<b>(79)</b>	<b>(27)</b>	<b>52%</b>	<b>U</b>
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## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2025	2024
<b>Cash assets</b>		
Cash on hand and at bank	19,062	7,971
Deposits at call	45,908	52,109
<b>Total cash and cash equivalents</b>	<b>64,970</b>	<b>60,080</b>

#### C1-2 Investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
<b>Debt securities at amortised cost</b>				
Long term deposits	45,309	110,000	23,050	122,000
<b>Total</b>	<b>45,309</b>	<b>110,000</b>	<b>23,050</b>	<b>122,000</b>
<b>Financial assets at fair value through profit and loss</b>				
Managed funds (medium term)	25,659	–	23,732	–
<b>Total</b>	<b>25,659</b>	<b>–</b>	<b>23,732</b>	<b>–</b>
<b>Financial assets at fair value through other comprehensive income</b>				
Floating rate notes	16,746	21,477	9,717	38,097
<b>Total</b>	<b>16,746</b>	<b>21,477</b>	<b>9,717</b>	<b>38,097</b>
<b>Total investments</b>	<b>87,714</b>	<b>131,477</b>	<b>56,499</b>	<b>160,097</b>

#### Material accounting policy information

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition.

#### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise term deposits, trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

## C1-2 Investments (continued)

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

### Fair value through other comprehensive income – Floating Rate Notes

Council holds a number of Floating Rate Notes. These investments are designated as at FVOCI which represent investments that Council intends to hold for long-term strategic purposes. No strategic investments were disposed of during 2024/25, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

### Financial assets through profit or loss - Managed Funds

In line with Council's Investment Strategy a small portion of Council's Investment Portfolio that is not required for the next five years is held in Medium Term Managed Funds with NSW Treasury Corporation.

In line with AASB 9 the Medium Term Managed Funds are classified as measured at fair value through profit and loss as cash flows associated with this type of investment are not solely generated from principal and interest but include some exposure to changes in equity prices.

Net gains or losses are recognised in profit or loss.

## C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>284,161</b>	<b>276,676</b>
Less: Externally restricted cash, cash equivalents and investments	<b>(161,239)</b>	<b>(165,032)</b>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>122,922</b>	<b>111,644</b>

### External restrictions

External restrictions included in cash, cash equivalents and investments above comprise:

Developer contributions – general	<b>85,777</b>	85,640
Transport for NSW contributions	<b>4,765</b>	4,549
Specific purpose unexpended grants - general fund	<b>18,959</b>	23,414
Stronger Communities Funding – Hornsby Quarry	<b>4,682</b>	9,785
Stronger Communities Funding – Westleigh	<b>40,448</b>	38,609
Domestic waste management	<b>1,823</b>	961
Catchment remediation reserve	<b>2,197</b>	2,019
Other	<b>2,588</b>	55
<b>External restrictions – other</b>	<b>161,239</b>	<b>165,032</b>
<b>Total external restrictions</b>	<b>161,239</b>	<b>165,032</b>

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

\$ '000	2025	2024
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## (b) Internal allocations

### Internal allocations

At 30 June, Council has internally allocated funds to the following:

Employees leave entitlements	<b>20,005</b>	20,005
Asset maintenance and renewal	<b>8,974</b>	5,696
Buildings – Wallarobba	<b>623</b>	930

**C1-3 Restricted and allocated cash, cash equivalents and investments (continued)**

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
Community centres	121	121
Council strategic capital projects	46,641	40,863
LED street light upgrade	1,260	1,186
Proceeds from asset sales	78	325
Galston Public Domain	6,767	6,975
Property acquisitions	2,602	2,465
SRV Strategic Initiatives	8,182	5,580
Other	4,574	4,591
<b>Total internal allocations</b>	<b>99,827</b>	<b>88,737</b>

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
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**(c) Unrestricted and unallocated**

<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>23,095</b>	<b>22,907</b>
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**C1-4 Receivables**

<b>\$ '000</b>	<b>2025 Current</b>	<b>2025 Non-current</b>	<b>2024 Current</b>	<b>2024 Non-current</b>
Rates and annual charges	2,782	371	2,343	324
Interest and extra charges	210	–	234	–
User charges and fees	72	–	111	–
Accrued revenues				
– Interest on investments	5,047	–	4,880	–
– Other income accruals	74	–	419	–
Government grants and subsidies	9,854	–	5,112	–
Net GST receivable	1,721	–	1,775	–
Property receivable	–	–	–	–
Biobanking - management payments receivable	516	836	689	663
Facility hire	1,147	–	1,065	–
Fines and penalties	105	–	26	–
Licencing	208	–	175	–
Property rentals	208	–	199	–
Restorations	167	–	68	–
Sullage	–	–	15	–
Other debtors	44	–	80	–
<b>Total</b>	<b>22,155</b>	<b>1,207</b>	<b>17,191</b>	<b>987</b>
<b>Less: provision for impairment</b>				
Other debtors	(38)	–	(24)	–
<b>Total provision for impairment – receivables</b>	<b>(38)</b>	<b>–</b>	<b>(24)</b>	<b>–</b>
<b>Total net receivables</b>	<b>22,117</b>	<b>1,207</b>	<b>17,167</b>	<b>987</b>

**Material accounting policy information****Biobanking - management payments receivable**

Council's Biobanking Stewardship Agreements (BSA) state that when certain conditions are met, the Biodiversity Conservation Trust (BCT) commences yearly payments to Council as the landowner to cover the cost of management works specified in

## C1-4 Receivables (continued)

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the BSA. In the first year, the amount is paid in advance and subsequent payments are only made when the BCT is satisfied that yearly management works as specified in the BSA have been performed satisfactorily. Accordingly, Council recognises a receivable from BCT representing the net present value of expected annual payments, which typically includes annual payments for 20 years after the date of the first payment. Refer to the Provisions note for a corresponding liability representing Council's obligation to undertake future management land works.

### Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis. When estimating ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment and including forward-looking information.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

When considering the ECL for rates and annual charges debtors, Council considers that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

## C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period							At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	48,303	–	48,303	24,970	22,373	–	–	(32,875)	–	–	62,771	–	62,771
Plant and equipment	24,586	(15,781)	8,805	–	945	(578)	(1,825)	2,288	–	–	26,009	(16,374)	9,635
Office equipment	4,006	(2,865)	1,141	–	–	–	(245)	12	–	–	4,018	(3,110)	908
Furniture and fittings	1,359	(526)	833	–	–	–	(126)	540	–	–	1,898	(651)	1,247
<b>Land:</b>													
– Operational land	161,751	–	161,751	–	–	(49)	–	2,602	–	1,479	165,783	–	165,783
– Community land	495,989	–	495,989	–	22,822	–	–	–	–	4,669	523,480	–	523,480
Land improvements	147,400	(50,126)	97,274	–	–	–	(1,283)	6,319	(47,613)	–	105,540	(50,843)	54,697
<b>Infrastructure:</b>													
– Buildings – non-specialised	125,745	(41,114)	84,631	–	–	–	(2,902)	852	–	3,667	132,218	(45,970)	86,248
– Buildings – specialised	120,503	(50,729)	69,774	–	1,750	(136)	(2,733)	5,447	–	3,290	133,145	(55,753)	77,392
– Other structures	33,185	(16,205)	16,980	–	–	(38)	(1,294)	2,147	34	–	35,194	(17,365)	17,829
– Roads	623,720	(104,519)	519,201	–	–	(1,429)	(7,671)	7,081	1,697	13,550	646,784	(114,355)	532,429
– Bridges	24,512	(5,607)	18,905	–	–	–	(386)	–	–	485	25,155	(6,151)	19,004
– Footpaths	78,470	(31,498)	46,972	–	–	–	(792)	1,283	5,316	1,243	87,498	(33,476)	54,022
– Bulk earthworks (non-depreciable)	100,387	–	100,387	–	–	–	–	–	40,566	2,630	143,583	–	143,583
– Stormwater drainage	672,537	(160,105)	512,432	–	–	(163)	(4,494)	3,133	–	21,229	687,811	(155,674)	532,137
– Water supply network	270	(125)	145	–	–	–	(8)	–	–	4	277	(136)	141
– Swimming pools	44,081	(7,088)	36,993	–	–	–	(1,183)	36	–	1,592	46,076	(8,638)	37,438
<b>Other assets:</b>													
– Catchment remediation assets	19,769	(3,645)	16,124	–	–	–	(381)	721	–	427	21,028	(4,136)	16,892
– Library books	3,807	(2,693)	1,114	–	–	–	(444)	414	–	–	4,221	(3,137)	1,084
<b>Total infrastructure, property, plant and equipment</b>	<b>2,730,380</b>	<b>(492,626)</b>	<b>2,237,754</b>	<b>24,970</b>	<b>47,890</b>	<b>(2,393)</b>	<b>(25,767)</b>	<b>–</b>	<b>–</b>	<b>54,265</b>	<b>2,852,489</b>	<b>(515,769)</b>	<b>2,336,720</b>

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).



## C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period								At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>														
Capital work in progress	26,470	–	26,470	35,162	31,505	–	–	–	(44,834)	–	–	48,303	–	48,303
Plant and equipment	23,944	(14,974)	8,970	–	2,324	(669)	(1,820)	–	–	–	–	24,586	(15,781)	8,805
Office equipment	3,582	(2,640)	942	–	424	–	(225)	–	–	–	–	4,006	(2,865)	1,141
Furniture and fittings	539	(456)	83	–	820	–	(70)	–	–	–	–	1,359	(526)	833
<b>Land:</b>														
– Operational land	152,153	–	152,153	–	–	–	–	–	6	–	9,592	161,751	–	161,751
– Community land	473,724	–	473,724	–	–	–	–	–	–	–	22,265	495,989	–	495,989
Land improvements – depreciable	143,808	(47,621)	96,187	–	–	–	(2,494)	–	3,320	261	–	147,400	(50,126)	97,274
<b>Infrastructure:</b>														
– Buildings – non-specialised	105,299	(37,203)	68,096	–	–	(3,192)	(2,599)	–	11,551	–	10,775	125,745	(41,114)	84,631
– Buildings – specialised	103,389	(42,135)	61,254	–	–	(8)	(2,227)	(22)	1,893	–	8,884	120,503	(50,729)	69,774
– Other structures	32,013	(15,018)	16,995	–	–	(56)	(1,278)	–	1,199	120	–	33,185	(16,205)	16,980
– Roads	580,572	(93,714)	486,858	–	–	(1,529)	(7,101)	–	14,553	(40)	26,460	623,720	(104,519)	519,201
– Bridges	23,225	(4,950)	18,275	–	–	–	(368)	–	–	34	964	24,512	(5,607)	18,905
– Footpaths	73,226	(29,196)	44,030	–	–	(188)	(751)	–	1,862	(375)	2,394	78,470	(31,498)	46,972
– Bulk earthworks (non-depreciable)	95,271	–	95,271	–	–	–	–	–	–	–	5,116	100,387	–	100,387
– Stormwater drainage	638,080	(148,114)	489,966	–	–	(120)	(4,306)	–	2,165	–	24,727	672,537	(160,105)	512,432
– Water supply network	270	(118)	152	–	–	–	(7)	–	–	–	–	270	(125)	145
– Swimming pools	30,733	(5,664)	25,069	–	–	–	(521)	–	7,735	–	4,710	44,081	(7,088)	36,993
<b>Other assets:</b>														
– Catchment remediation assets	19,219	(3,279)	15,940	–	–	–	(366)	–	550	–	–	19,769	(3,645)	16,124
– Library books	3,372	(2,228)	1,144	–	435	–	(465)	–	–	–	–	3,807	(2,693)	1,114
<b>Total infrastructure, property, plant and equipment</b>	<b>2,528,889</b>	<b>(447,310)</b>	<b>2,081,579</b>	<b>35,162</b>	<b>35,508</b>	<b>(5,762)</b>	<b>(24,598)</b>	<b>(22)</b>	<b>–</b>	<b>–</b>	<b>115,887</b>	<b>2,730,380</b>	<b>(492,626)</b>	<b>2,237,754</b>

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

## C1-5 Infrastructure, property, plant and equipment (continued)

### Material accounting policy information

Infrastructure, property, plant and equipment are subsequently held at fair value. The carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their carrying amount, net of their residual values, over their estimated remaining useful lives as follows:

<b>Plant and Equipment</b>	<b>Years</b>	<b>Stormwater Assets</b>	<b>Years</b>
Vehicles	7	Drainage components (pits, pipes, etc...)	150
All other plant & equipment	7 to 25	Catchment remediation assets	50
<b>Library Books</b>	<b>5</b>	<b>Buildings</b>	
		Structure	35 to 125
<b>Software &amp; Licences</b>		Roof	40 to 100
Software	5 to 15	Internal finishes, fire & security	20 to 80
Licences (1 year +)	Expiry of licence	Electrical, mechanical & transportation	25
<b>Transportation Assets</b>		<b>Land Improvements</b>	
Sealed roads	10 to 100	Playground & sports equipment	10 to 50
Unsealed roads	5	Picnic furniture	10 to 20
Bridges	20 to 80	Service equipment	10 to 80
Traffic facilities	20 to 100	Landscaping ("hard" elements)	10 to 150
Kerb, gutter & footpaths (concrete)	100	Trees & gardening	non-depreciable
Bulk earthworks	non-depreciable	Turf	non-depreciable
		Sports fields (natural/non-artificial)	non-depreciable
<b>Other Structures</b>			
Pontoons, wharves & seawalls	10 to 80		
Park shelters	10 to 50		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

### Land under roads

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads. Council has no land under roads acquired after 1 July 2008.

### Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

## C1-6 Investment property

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
<b>Owned investment property</b>		
Investment property on hand at fair value	<b>41,100</b>	36,790
<b>Total owned investment property</b>	<b>41,100</b>	<b>36,790</b>

**C1-6 Investment property (continued)**

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
<b>Owned investment property</b>		
<b>At fair value</b>		
Opening balance at 1 July	<b>36,790</b>	31,660
Additions - new assets	<b>259</b>	4,335
Net gain/(loss) from fair value adjustments	<b>4,051</b>	795
<b>Closing balance at 30 June</b>	<b>41,100</b>	<b>36,790</b>

**Material accounting policy information**

Investment property, principally comprising freehold buildings on operational land, is held for long-term rental yields and is not occupied by the Council.

## C2 Leasing activities

### C2-1 Council as a lessee

Council has leases over a range of assets. Information relating to the leases in place and associated balances and transactions is provided below.

#### Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers and servers. The leases are for between three and five years with no renewal options and all payments are fixed. There are no extension options within the leases.

#### Buildings

The lease of office space to be used as Councils corporate office concluded in the prior year.

#### (a) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2025	2024
Interest on lease liabilities	23	16
Variable lease payments based on usage not included in the measurement of lease liabilities	15,771	15,421
Depreciation of right of use assets	80	357
Expenses relating to leases of low-value assets	82	167
	<b>15,956</b>	<b>15,961</b>

#### (b) Statement of Cash Flows

Total cash outflow for leases	15,956	15,961
	<b>15,956</b>	<b>15,961</b>

### C2-2 Council as a lessor

#### Operating leases

Council leases out a number of properties.

Properties that are based on operational land and that are leased at market rental amounts are classified as investment properties.

Properties that are based on community land and/or are leased at subsidised amounts, such as to community groups are classified as Property, Plant and Equipment.

#### Amount of IPPE leased out by Council under operating leases

\$ '000	2025	2024
Property leases	31,108	32,189
<b>Total amount of IPPE leased out by Council under operating leases</b>	<b>31,108</b>	<b>32,189</b>

#### Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	2,564	1,939
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**C2-2 Council as a lessor (continued)**

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
1–2 years	<b>2,043</b>	1,633
2–3 years	<b>1,564</b>	1,474
3–4 years	<b>1,344</b>	1,161
4–5 years	<b>1,201</b>	1,003
> 5 years	<b>111,529</b>	88,326
<b>Total undiscounted lease payments to be received</b>	<b>120,245</b>	95,536

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Prepaid rates	711	–	663	–
Goods and services – operating expenditure	8,302	–	8,391	–
Accrued expenses:				
– Salaries and wages	2,397	–	2,089	–
– Other expenditure accruals	750	–	2,143	–
Security bonds, deposits and retentions	557	–	524	–
Property acquisition payable	2,602	–	–	–
Other	56	–	67	–
<b>Total payables</b>	<b>15,375</b>	<b>–</b>	<b>13,877</b>	<b>–</b>

#### Payables

The amounts are unsecured and are usually paid within 30 days of recognition.

### C3-2 Borrowings

#### Financing arrangements

\$ '000	2025	2024
<b>Total facilities</b>		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities <sup>1</sup>	3,000	3,000
Credit cards/purchase cards	96	101
<b>Total financing arrangements</b>	<b>3,096</b>	<b>3,101</b>
<b>Drawn facilities</b>		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	24	16
<b>Total drawn financing arrangements</b>	<b>24</b>	<b>16</b>
<b>Undrawn facilities</b>		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	3,000	3,000
– Credit cards/purchase cards	72	85
<b>Total undrawn financing arrangements</b>	<b>3,072</b>	<b>3,085</b>

#### Additional financing arrangements information

##### Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans or covenants.

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

### C3-3 Employee benefit provisions

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	5,224	–	5,141	–
Sick leave	142	–	155	–

### C3-3 Employee benefit provisions (continued)

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Long service leave	10,112	1,210	9,366	1,121
Net liability - defined benefit plan	–	–	–	388
Other leave	125	–	133	–
<b>Total employee benefit provisions</b>	<b>15,603</b>	<b>1,210</b>	<b>14,795</b>	<b>1,509</b>

#### Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2025	2024
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	10,461	10,158
	<b>10,461</b>	<b>10,158</b>

#### Description of and movements in provisions

##### Material accounting policy information

##### Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### C3-4 Provisions

\$ '000	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
<b>Other provisions</b>				
Provision for property acquisitions	–	–	3,133	–
Biobanking liability - management actions	74	872	138	945
Provision for repayment of grant funds	37,315	–	36,302	–
<b>Sub-total – other provisions</b>	<b>37,389</b>	<b>872</b>	<b>39,573</b>	<b>945</b>
<b>Asset remediation/restoration:</b>				
Provision for land remediation	5,008	16,964	4,915	17,764
<b>Sub-total – asset remediation/restoration</b>	<b>5,008</b>	<b>16,964</b>	<b>4,915</b>	<b>17,764</b>
<b>Total provisions</b>	<b>42,397</b>	<b>17,836</b>	<b>44,488</b>	<b>18,709</b>

#### Description of and movements in provisions

\$ '000	Other provisions				Total
	Provision for land remediation	Provision for grant funds repayable	Provision for property acquisition	Biobanking liability - management actions	
<b>2025</b>					
At beginning of year	22,679	36,302	3,133	1,082	63,196
Additional provisions	–	1,013	–	–	1,013

## C3-4 Provisions (continued)

\$ '000	Other provisions				Total
	Provision for land remediation	Provision for grant funds repayable	Provision for property acquisition	Biobanking liability - management actions	
Payments	(707)	–	–	(136)	(843)
Other	–	–	(3,133)	–	(3,133)
Total other provisions at end of year	21,972	37,315	–	946	60,233
2024					
At beginning of year	5,562	–	–	1,198	6,760
Additional provisions	22,679	36,302	3,133	–	62,114
Payments	(5,562)	–	–	(116)	(5,678)
Total other provisions at end of year	22,679	36,302	3,133	1,082	63,196

### Nature and purpose of provisions

#### Provision for repayment of grant funds

The provision for repayment of grant funds relates to unspent grant monies for the development of Westleigh Park. Repayment of these funds has been requested by the grantor.

#### Provision for property acquisitions

The provision for property acquisitions relates to property acquisitions in progress at 30 June 2024. At 30 June 2025 this amount has been recognised as a payable in the C3-1 Payables note.

#### Biobanking liability - management actions

A biobanking liability is recognised based on the expected future cost of fulfilling environmental obligations to maintain the biodiversity of land in accordance with Council's Biobanking Stewardship Agreements (BSA) and AASB 137 *Provisions, Contingent Liabilities & Contingent Assets*.

The terms of BSA's stipulate that when 80% of the fund deposit is reached (which represents the sale of 80% of the biodiversity credits within each BSA), Council's obligation to undertake land management works commences. This liability for future management works is recognised by Council based on the present value of undertaking management actions as specified in the BSA, typically over a 20 year period. A corresponding asset within the Receivables note has also been recognised to represent payments from the Biodiversity Conservation Trust (BCT) to fund management actions.

#### Provision for land remediation

The provision for environmental remediation works at Foxglove Oval and Montview Oval is ongoing. The provision is calculated based on the estimated cost to remediate the site to meet the requirements of the NSW Environment Protection Authority.

### Material accounting policy information

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Non-current provisions have only been discounted where the impact of discounting is material to the financial statements.



## D Risks and accounting uncertainties

### D1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

The fair value of assets and liabilities presented below approximates the carrying amount.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the *Local Government Act 1993* and *Minister's investment order 625*. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due;
- **Market risk - interest rate risk** – the risk that movements in interest rates could affect returns and income; and
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

#### (a) Market risk – interest rate and price risk

\$ '000	2025	2024
The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	2,585	2,529
Impact of a 10% movement in price of investments		
– Equity / Income Statement	6,676	6,052

#### (b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

#### Credit risk profile

## D1-1 Risks relating to financial instruments held (continued)

### Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

\$ '000	Not yet overdue	overdue rates and annual charges < 5 years	≥ 5 years	Total
<b>2025</b>				
Gross carrying amount	–	2,995	158	3,153
<b>2024</b>				
Gross carrying amount	–	2,492	175	2,667

### Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined by the methodology disclosed in the Receivables note. The expected credit losses incorporates forward-looking information.

\$ '000	Not yet overdue	Overdue debts 0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	Total
<b>2025</b>						
Gross carrying amount	9,556	5,418	201	18	5,080	20,273
Amount provided (%)	0.00%	0.02%	0.66%	7.48%	0.19%	0.07%
<b>2024</b>						
Gross carrying amount	9,619	5,533	115	70	238	15,575
Amount provided (%)	0.01%	0.00%	0.33%	1.71%	9.25%	0.16%

### (c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(c) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2025</b>							
Payables	0.00%	557	14,818	–	–	15,375	15,375
<b>Total financial liabilities</b>		<b>557</b>	<b>14,818</b>	<b>–</b>	<b>–</b>	<b>15,375</b>	<b>15,375</b>

D1-1 Risks relating to financial instruments held (continued)

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	524	12,815	–	–	13,339	13,877
<b>Total financial liabilities</b>		<b>524</b>	<b>12,815</b>	<b>–</b>	<b>–</b>	<b>13,339</b>	<b>13,877</b>

## D2-1 Fair value measurement

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The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets and liabilities

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## D2-1 Fair value measurement (continued)

		Fair value measurement hierarchy							
\$ '000	Notes	Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024	2025	2024
Recurring fair value measurements									
Financial assets									
Financial investments	C1-2								
– 'Financial assets at fair value through profit and loss'		–	–	25,659	23,732	–	–	25,659	23,732
At fair value through other comprehensive income		38,223	47,814	–	–	–	–	38,223	47,814
Total financial assets		38,223	47,814	25,659	23,732	–	–	63,882	71,546
Investment property									
Investment property portfolio	C1-6								
		–	–	41,100	36,790	–	–	41,100	36,790
Total investment property		–	–	41,100	36,790	–	–	41,100	36,790
Infrastructure, property, plant and equipment									
Operational land	C1-5								
		–	–	165,783	161,751	–	–	165,783	161,751
Community land		–	–	–	–	523,480	495,989	523,480	495,989
Buildings (specialised and non-specialised)		–	–	–	–	163,640	154,405	163,640	154,405
Roads, bridges, footpaths and bulk earthworks		–	–	–	–	749,038	685,465	749,038	685,465
Stormwater drainage		–	–	–	–	532,137	512,432	532,137	512,432
Swimming pools		–	–	–	–	37,438	36,993	37,438	36,993
Catchment remediation assets		–	–	–	–	16,892	16,124	16,892	16,124
Total infrastructure, property, plant and equipment		–	–	165,783	161,751	2,022,625	1,901,408	2,188,408	2,063,159

## D2-1 Fair value measurement (continued)

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

### Valuation techniques

Council's non-current assets are continually remeasured to fair value.

Where Council is unable to derive fair valuations using quoted market prices of identical assets (i.e. level 1 inputs), Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

#### Investment property

Council engages an independent, qualified expert, Scott Fullarton Valuations Pty Ltd to determine the fair value of Investment Properties, which were last comprehensively revalued at 30 June 2025.

In measuring fair value, the characteristics of each property were taken into account and whether market participants would take those characteristics into account when pricing, assuming that market participants would act in their best economic interest.

A direct comparison approach was adopted where recent information was available whereby a unit rate per square metre was calculated using the following observable inputs:

- Price per square metre
- Direct comparison to sales evidence
- Zoning
- Location
- Land area and configuration
- Planning controls

Where recent sales data was not available a capitalised income approach was used whereby a yield was applied to the property's income to assess its value. This approach also included the following inputs:

- Rental income
- Rent reviews
- Capitalisation rate

#### Infrastructure, property, plant and equipment (IPPE)

##### Buildings (Specialised and Non-Specialised)

Council engages Scott Fullarton Valuations Pty Ltd to determine the fair value of buildings which were last comprehensively revalued at 30 June 2022. In the current year Council has indexed the value of buildings at 30 June 2025 using externally sourced data.

In line with AASB 13 fair value is calculated using depreciated replacement cost methodology. Gross replacement cost is calculated from the summation of the current replacement unit cost of the individual components of each building. Accumulated depreciation is calculated from the condition of each component, which is used to determine the amount of economic benefit consumed. Gross replacement cost less accumulated depreciation equates to fair value.

The current replacement unit cost rates of each component are a key unobservable input (level 3) in the calculation. These rates are benchmarked to the construction cost of similar properties to ensure they are appropriate.

##### Land (Operational and Community)

Council engages an independent, qualified expert (also Scott Fullarton Valuations Pty Ltd) to determine the fair value of operational land and community land. Fair value is calculated with reference to current prices in an active market for similar properties and used to calculate square metre unit rates. Where such information is not available the price of different properties in active markets or price of similar properties in less active markets, adjusted to reflect differences are used. Consideration is paid to the inherent features of each property such as usability, fire and flood risk with adjustments made if appropriate.

The values of Operational and Community land were last comprehensively revalued at 30 June 2022 and 30 June 2021 respectively. At 30 June 2025 the values of these assets were indexed using externally sourced data.

## D2-1 Fair value measurement (continued)

Square meter unit rates are a key unobservable input in each the calculations.

### Infrastructure assets

Valuations for infrastructure assets are performed internally as there is no active market for assets of this nature. Current replacement cost is calculated from the summation of the current replacement unit cost of the individual components of each asset. The cost of each component is determined from the unit rate, usually in square metres multiplied by the dimensions of the component of the asset. All infrastructure assets are subject to ongoing condition assessment. Accumulated depreciation is calculated from the condition of each asset, which is used to determine the amount of economic benefit consumed. Gross replacement cost less accumulated depreciation equates to fair value.

Square meter unit rates are a key unobservable input in the calculation.

The Roads, Bridges and Footpaths asset classes were last comprehensively revalued at 30 June 2023. At 30 June 2025 the value of these assets have been indexed using externally sourced data. The Stormwater drainage asset class has been comprehensively revalued at 30 June 2025.

### Fair value measurements using significant unobservable inputs (level 3)

A reconciliation of the movements in recurring fair value measurements allocated to level 3 of the hierarchy is provided below:

	2025 (\$'000)	2024 (\$'000)
<b>Balance at 1 July</b>	<b>1,901,408</b>	<b>1,778,483</b>
Purchases	24,572	-
Carrying value of assets sold/disposed	(1,727)	(5,037)
Depreciation	(20,542)	(18,239)
Impairment loss	-	(22)
WIP transfers	18,553	40,309
Dedications	-	-
Revaluation decrements	-	-
Revaluation increments	52,782	106,295
Adjustments and transfers	-	(381)
Other movements	-	-
<b>Balance at 30 June</b>	<b>1,975,046</b>	<b>1,901,408</b>

### Highest and best use

Scott Fullarton Valuations Pty Ltd have identified four investment properties within Council's portfolio which have a highest and best as a redevelopment site, and are therefore under-developed. The Fair Value of these properties at 30 June 2025 is \$10,145k.

All other non-financial assets are considered as being utilised for their highest and best use.

## D3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

### LIABILITIES NOT RECOGNISED

#### (i) Defined benefit plans

Council accounts for defined benefit obligations from the closed NSW public sector superannuation schemes under AASB 119.

Council is also party to an Industry Defined Benefit Plan under Active Super – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 *Employee Benefits* for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

#### *Description of the funding arrangements.*

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

Division B	1.9 times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June.

The adequacy of contributions is assessed at each actuarial investigation which will be conducted annually, the next of which is due effective 30 June 2025.

#### *Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan*

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2025 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,197.6	
Past Service Liabilities	2,092.0	105.0%



## D3-1 Contingencies (continued)

Vested Benefits	2,130.4	103.2%
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\*excluding member accounts and reserves in both assets and liabilities.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	6.0% per annum
Salary inflation	3.5% per annum
Increase in CPI	2.5%

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

### (ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

### (iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

### (iv) Other guarantees

Council has provided no other guarantees other than those listed above.

### Other liabilities

#### Landfill Remediation

Council is subject to an ongoing legal case related to contamination of a property neighbouring Foxglove Oval in Mount Colah. This matter is in early stages with no estimate of any potential liability to Council currently available.

### (i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

### (ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

## D3-1 Contingencies (continued)

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### ASSETS NOT RECOGNISED

#### (i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

#### (ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2025	2024
<b>Compensation:</b>		
<b>Short-term Benefits</b>		
Salaries and other short-term benefits	2,500	2,339
<b>Post-employment Benefits</b>		
Superannuation	221	163
<b>Other Long-term Benefits</b>		
Long service leave entitlements	65	61
<b>Total</b>	<b>2,786</b>	<b>2,563</b>

## E1-1 Key management personnel (KMP) (continued)

### Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
<b>2025</b>						
<b>Lease of Wallarobba Arts &amp; Cultural Centre - Hornsby Art Society (HAS) and 2HHH FM Ltd (2HHH)</b>	1,2,3	<b>27</b>	–	HAS, HVH and 2HHH lease space from Council as not-for-profit community organisations and a community radio station respectively.	–	–
<b>2024</b>						
Lease of Wallarobba Arts & Cultural Centre - Hornsby Art Society (HAS) and 2HHH FM Ltd (2HHH)	1,2,3	17	–	HAS, HVH and 2HHH lease space from Council as not-for-profit community organisations and a community radio station respectively.	–	–

- 1 Councillor McIntosh is the President of the Hornsby Art Society Inc. (HAS)
- 2 Councillor McIntosh is a member of the Steering Committee for Hornsby Village Hub. (HVH)
- 3 Councillor McIntosh is a Board Director of the 2HHH FM Ltd. (2HHH)

## E1-2 Councillor and Mayoral fees and associated expenses

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	<b>83</b>	73
Councillors fees	<b>267</b>	276
Councillors expenses (including Mayor)	<b>36</b>	19
<b>Total</b>	<b>386</b>	<b>368</b>

E2 Other relationships

E2-1 Audit fees

\$ '000	2025	2024
<b>Auditors of the Council - NSW Auditor-General:</b>		
Audit and review of financial statements	132	129
<b>Total fees paid or payable to the Auditor-General</b>	<b>132</b>	<b>129</b>

## F Other matters

### F1-1 Statement of Cash Flows information

#### Reconciliation of net operating result to cash provided from operating activities

\$ '000	2025	2024
<b>Net operating result from Income Statement</b>	<b>62,513</b>	(27,997)
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	25,979	25,085
(Gain) / loss on disposal of assets	1,211	4,560
Non-cash capital grants and contributions	(25,517)	(213)
Defined benefit pension adjustments	151	50
Write off from work in progress account	–	5,615
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(1,927)	(1,422)
– Investment property	(4,051)	(795)
– Revaluation decrements / impairments of IPP&E direct to P&L	–	22
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(5,184)	(2,235)
Increase / (decrease) in provision for impairment of receivables	14	(68)
(Increase) / decrease of inventories	(7)	(10)
(Increase) / decrease of other current assets	(212)	(383)
(Increase) / decrease of contract asset	–	(64)
Increase / (decrease) in payables	(89)	(1,851)
Increase / (decrease) in other accrued expenses payable	(123)	(2,259)
Increase / (decrease) in other liabilities	70	125
Increase / (decrease) in contract liabilities	35	642
Increase / (decrease) in employee benefit provision	509	253
Increase / (decrease) in other provisions	136	44,620
<b>Net cash flows from operating activities</b>	<b>53,508</b>	<b>43,675</b>

## F2-1 Commitments

### Capital commitments (exclusive of GST)

<b>\$ '000</b>	<b>2025</b>	<b>2024</b>
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Buildings	545	3,310
Hornsby Quarry and Old Mans Valley	1,139	11,224
Infrastructure – Roads & Drainage	962	4,004
Land improvements	475	1,369
Plant and equipment	459	844
Westleigh Park	172	468
<b>Total commitments</b>	<b>3,752</b>	<b>21,219</b>

#### Details of capital commitments

All committed amounts are associated with the routine renewal and/or upgrade of existing Council assets which will take place in the next year.



### F3-1 Events occurring after the reporting date

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Council is not aware of any material or significant events after balance date that are not disclosed.

## F4 Statement of developer contributions

### F4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year		Interest and investment income earned	Amounts expended	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land				
Roads	4,771	621	–	306	(377)	5,321	–
Open space	35,330	3,004	–	1,454	(11,450)	28,338	–
Community facilities	33,202	1,710	–	2,125	(120)	36,917	–
Plan administration	451	23	–	19	(126)	367	–
<b>S7.11 contributions – under a plan</b>	<b>73,754</b>	<b>5,358</b>	<b>–</b>	<b>3,904</b>	<b>(12,073)</b>	<b>70,943</b>	<b>–</b>
<b>S7.12 levies – under a plan</b>	<b>11,886</b>	<b>2,666</b>	<b>–</b>	<b>714</b>	<b>(432)</b>	<b>14,834</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>85,640</b>	<b>8,024</b>	<b>–</b>	<b>4,618</b>	<b>(12,505)</b>	<b>85,777</b>	<b>–</b>
<b>Total contributions</b>	<b>85,640</b>	<b>8,024</b>	<b>–</b>	<b>4,618</b>	<b>(12,505)</b>	<b>85,777</b>	<b>–</b>

Under the *Environmental Planning and Assessment Act 1979*, local infrastructure contributions, also known as developer contributions, are charged by councils when new development occurs. They help fund infrastructure like parks, community facilities, local roads, footpaths, stormwater drainage and traffic management. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

### F4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2024	Contributions received during the year		Interest and investment income earned	Amounts expended	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land				
S7.11 contributions – under a plan							
CONTRIBUTION PLAN NUMBER 1 (2012 to 2021)							
Roads	4,771	621	–	306	(377)	5,321	–
Open space	35,330	3,004	–	1,454	(11,450)	28,338	–
Community facilities	33,202	1,710	–	2,125	(120)	36,917	–
Plan administration	451	23	–	19	(126)	367	–
Total	73,754	5,358	–	3,904	(12,073)	70,943	–

### S7.12 Levies – under a plan

## F4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2024	Contributions received during the year		Interest and investment income earned	Amounts expended	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land				
<b>2012 - 2021</b>							
Other	11,886	2,666	–	714	(432)	14,834	–
<b>Total</b>	<b>11,886</b>	<b>2,666</b>	<b>–</b>	<b>714</b>	<b>(432)</b>	<b>14,834</b>	<b>–</b>

**End of the audited financial statements**



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Hornsby Shire Council

To the Councillors of Hornsby Shire Council

### Opinion

I have audited the accompanying financial statements of Hornsby Shire Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2025, the Statement of Financial Position as at 30 June 2025, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of the Division
  - are, in all material respects, consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Other Information**

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B4-1 'Material budget variations'
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

1 October 2025  
SYDNEY



Cr Warren Waddell  
Mayor  
Hornsby Shire Council  
PO BOX 37  
HORNSBY NSW 1630

Contact: Cassie Malone  
Phone no: 02 9275 7388  
Our ref: R008-1981756498-4007

1 October 2025

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2025  
Hornsby Shire Council**

I have audited the general purpose financial statements (GPFS) of Hornsby Shire Council (the Council) for the year ended 30 June 2025 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

My audit procedures did not identify any instances of material non-compliance with the financial reporting requirements in Chapter 13, Part 3, Division 2 of the LG Act and the associated regulation or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2025 is issued in accordance with section 417 of the Act. The Report:

- must address the specific matters outlined in the Local Government Code of Accounting Practice and Financial Reporting 2024-25
- may include statements, comments and recommendations that I consider to be appropriate based on the conduct of the audit of the GPFS.

This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.



## INCOME STATEMENT

### Financial performance

	2025	2024	Variance
	\$m	\$m	%
Rates and annual charges revenue	126.0	116.6	8.0
Grants and contributions provided for operating purposes revenue	13.6	10.6	27.4
Grants and contributions provided for capital purposes revenue	41.9	(22.2)	289
Operating result from continuing operations	62.5	(28.0)	323
Net Operating result for the year before grants and contributions provided for capital purposes	20.6	(5.8)	455

### Operating result from continuing operations

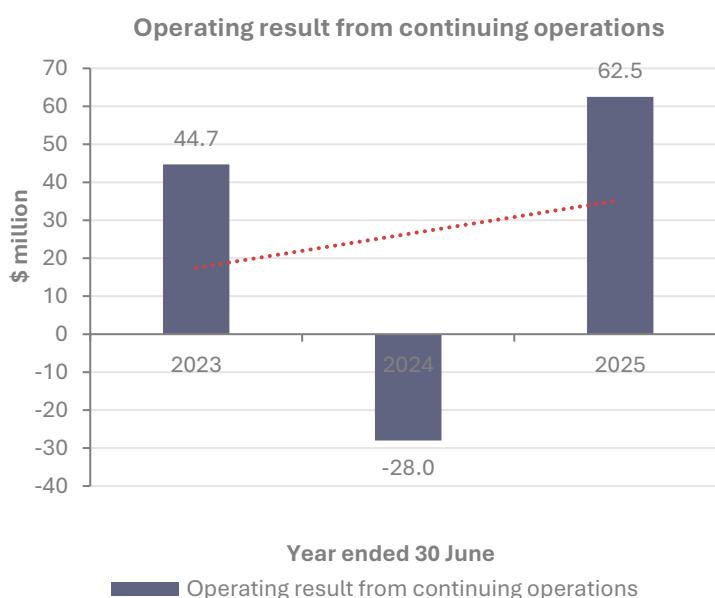
This graph shows the operating result from continuing operations for the current and prior two financial years.

Council's operating result from continuing operations for the year was \$90.5 million higher than the 2023–24 result.

In 2023-24, Council recognised a provision to repay unspent capital grant funding of \$36.3 million relating to a project funded under the NSW Government's Stronger Communities program.

In 2024-25:

- rates and annual charges revenue (\$126.0 million) increased by \$9.4 million (8.0 per cent) mainly due to the rate peg increase of 7.5 per cent
- materials and services expenditure (\$72.3 million) decreased by \$10.0 million (12.1%). This is mainly due to the provision for remediation recognised in 2023-24 for Foxglove Oval.



The net operating result for the year before grants and contributions provided for capital purposes was \$20.6 million. Refer to ‘Grants and contributions revenue’ below for details.

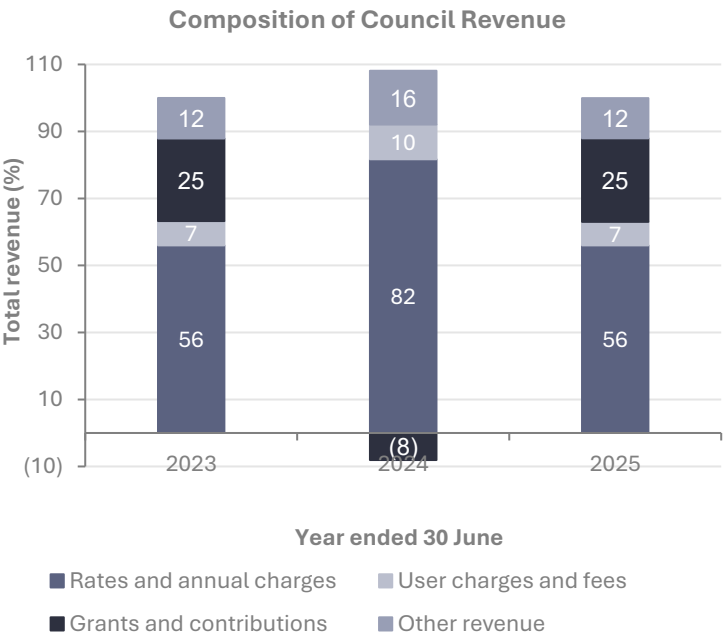
Income

Council revenue

This graph shows the percentage of Council’s revenue recognised from sources other than grants and contributions for the current and prior two financial years.

Council revenue (\$225.1 million) increased by \$82.4 million (57.7 per cent) in 2024–25 due to:

- rates and annual charges revenue (\$126.0 million) which increased by \$9.4 million (8.0 per cent) due to rate peg increase of 7.5 per cent
- user charges and fees revenue (\$16.4 million) which increased by \$1.7 million (11.3 per cent) due to increased restoration charges, swimming centre fees and parks and oval hire fees
- grants and contributions revenue (\$55.5 million) which increased by \$67.1 million (580 per cent) – see additional details below.



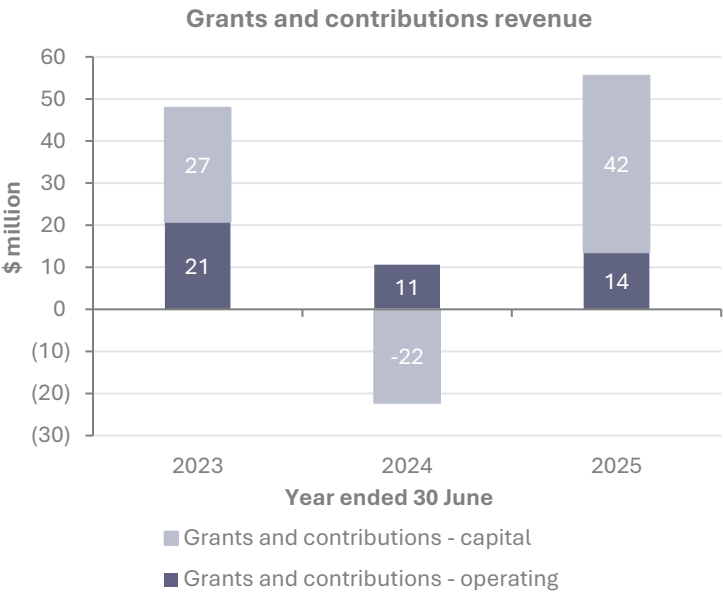
Grants and contributions revenue

This graph shows the amount of grants and contributions revenue recognised for the current and prior two financial years.

In 2023-24, the Council recognised a provision to repay unspent capital grant funding of \$36.3 million relating to a project funded under the NSW Government’s Stronger Communities program.

Grants and contributions revenue (\$55.5 million) increased by \$67.1 million (580 per cent) in 2024–25 due to:

- receiving 50 per cent of the financial assistance grants for 2025-26 in advance (85 per cent for 2024-25)
- an increase of \$25.5 million of non-cash contributions recognised during the year (which



includes land located in the Marymount Conservation Reserve in Castle Hill of \$22.8 million)

- an increase of \$4.2 million of developer contributions recognised during the year.

## CASH FLOWS

### Statement of cash flows

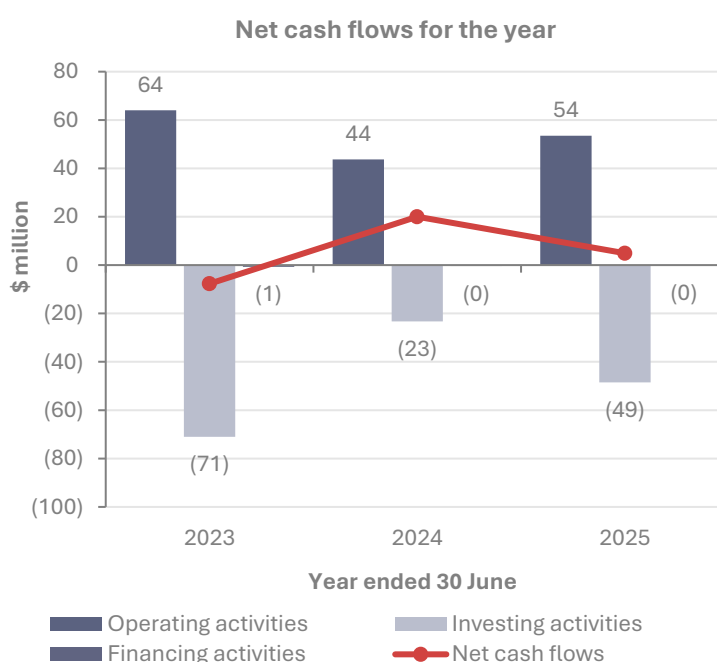
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating in a financially sustainable manner.

This graph shows the net cash flows for the current and prior two financial years.

The net cash flows for the year were positive \$4.9 million (positive \$20.0 million in 2023-24).

In 2024-25 the net cashflows:

- from operating activities increased by \$9.8 million, mainly due to increase in rates and annual charges revenue and grants and contributions revenue
- used in investing activities increased by \$25.2 million, mainly due reductions in sales of investments
- used in financing activities remained consistent.



## FINANCIAL POSITION

### Cash, cash equivalents and investments

This section of the Report provides details of the amount of cash, cash equivalents and investments recorded by the Council at 30 June 2025.

Externally restricted funds are the cash, cash equivalents and investments that can only be used for specific purposes due to legal or contractual restrictions.

Cash, cash equivalents, and investments without external restrictions can be allocated internally by the elected Council's resolution or policy. These allocations are matters of Council policy and can be changed or removed by a Council resolution.

Cash, cash equivalents and investments	2025	2024	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>284.2</b>	<b>276.7</b>	Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	161.2	165.0	
• Internal allocations	99.8	88.7	

This graph shows the sources of externally restricted cash, cash equivalents and investments.

In 2024-25 the Council's main sources of externally restricted cash, cash equivalents and investments include:

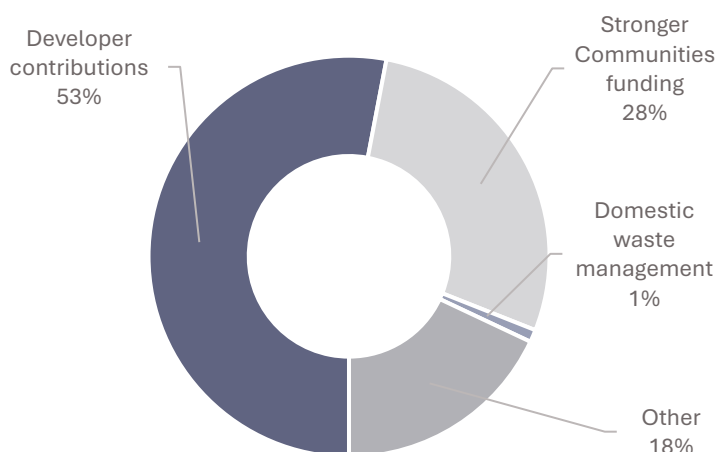
- developer contributions of \$85.8 million (2023-24: \$85.6 million)
- Stronger Communities Funding of \$45.1 million, relating to Hornsby Quarry and Westleigh (2023-24: \$48.4 million).

Other externally restricted cash, cash equivalents comprise of the following:

- Transport for NSW contributions (\$4.8 million)
- Specific purposes unexpended grants – general fund (\$19.0 million)
- Domestic waste management (\$1.8 million)
- Catchment remediation reserve (\$2.2 million)
- Others (\$2.6 million).

The balance has decreased mainly due to the utilisation of unexpended grants.

Source of externally restricted cash, cash equivalents and investments



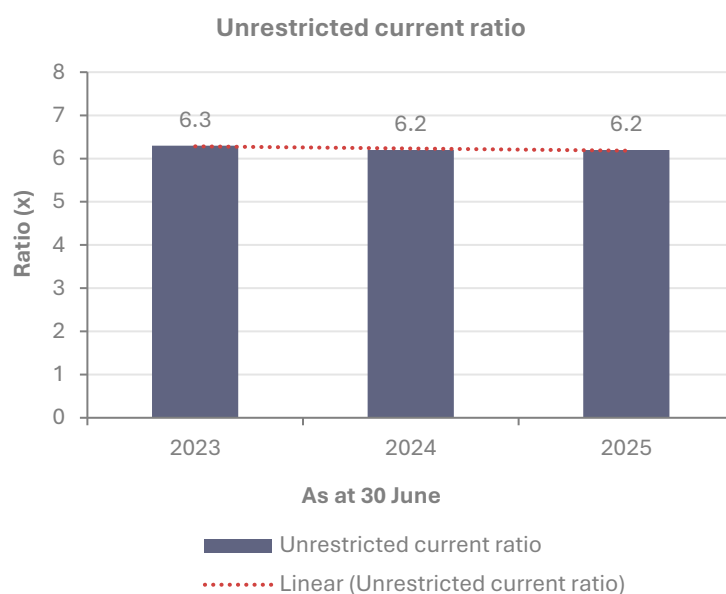
## Council liquidity

This graph shows the Council's unrestricted current ratio for the current and prior two financial years.

The unrestricted current ratio is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The ratio measures the ratio of unrestricted current assets to specific purpose liabilities.

In 2023-24, the average unrestricted current ratio was an average of 3.7x for metropolitan councils.

The Council's unrestricted current ratio has remained consistent across the three financial years.

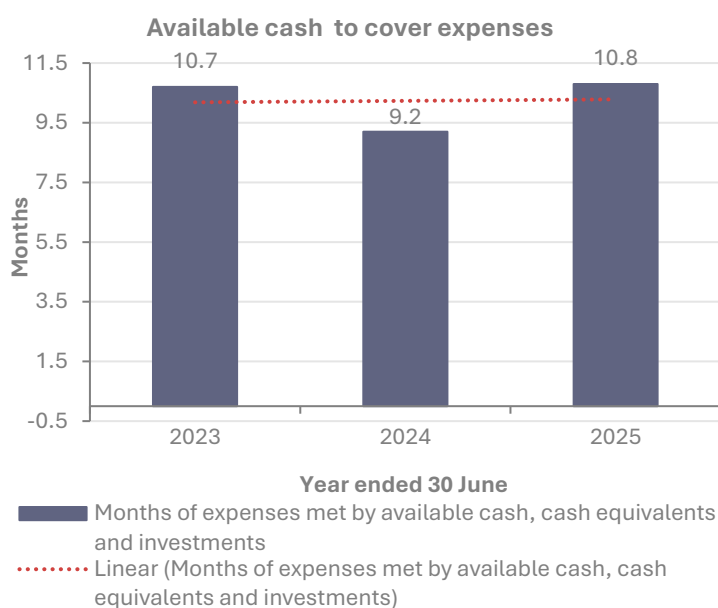


This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs), Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

Further details on cash, cash equivalents and investments including the sources of external restrictions are included in the section above.

In 2023-24, the available cash to cover expenses was an average of eight months for metropolitan councils.

The decrease in expenditure in 2024-25 meant the Council had higher levels of available cash compared to 2023-24.



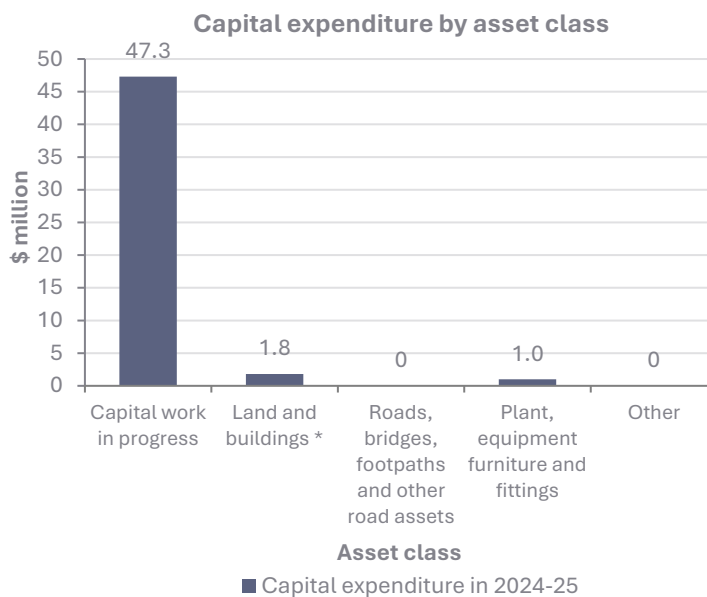
## Infrastructure, property, plant and equipment

This graph shows how much the Council spent on renewing and purchasing assets in 2024-25.

Council renewed \$25.0 million of infrastructure, property, plant and equipment during 2024-25. This was mainly spent on roads assets.

A further \$25.1 million was spent on new assets, mainly relating to the Hornsby Quarry, the Brooklyn boardwalk and various works on parks.

The Council also recognised a non-cash capital contribution of land totalling \$22.8 million, which is excluded from this graph.



\* Excludes non-cash capital contributions of land totalling \$22.8 million.

Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

# Hornsby Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2025

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Hornsby Shire Council

Special Schedules

for the year ended 30 June 2025

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<b>Special Schedules:</b>	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2025 (unaudited)	7



## Hornsby Shire Council

## Permissible income for general rates

\$ '000	Notes	Calculation 2024/25	Calculation 2025/26
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	82,438	88,769
Plus or minus adjustments <sup>2</sup>	b	137	61
<b>Notional general income</b>	c = a + b	<b>82,575</b>	<b>88,830</b>
<b>Permissible income calculation</b>			
Percentage increase	d	7.50%	6.50%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	6,193	5,774
<b>Sub-total</b>	g = (c + e + f)	<b>88,768</b>	<b>94,604</b>
Less valuation objections claimed in the previous year	i	1	—
<b>Sub-total</b>	j = (h + i)	<b>1</b>	<b>—</b>
<b>Total permissible income</b>	k = g + j	<b>88,769</b>	<b>94,604</b>
Less notional general income yield	l	88,769	94,604
<b>Catch-up or (excess) result</b>	m = k - l	<b>—</b>	<b>—</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>—</b>	<b>—</b>

**Notes**

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Hornsby Shire Council

To the Councillors of Hornsby Shire Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Hornsby Shire Council (the Council) for the year ending 30 June 2026.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2024–25 (LG Code) and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

## Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2025.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

1 October 2025  
SYDNEY

## Hornsby Shire Council

## Report on infrastructure assets as at 30 June 2025 (unaudited)

as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024/25 Required maintenance <sup>a</sup>	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Libraries	60	60	138	194	17,393	22,137	0.0%	97.7%	0.0%	2.4%	0.0%
	Amenities	1,991	15,030	520	371	36,924	54,582	8.7%	20.0%	70.3%	1.0%	0.0%
	Commercial/Residential Buildings	2,592	–	310	215	15,245	36,787	9.6%	13.2%	66.0%	11.3%	0.0%
	Rural Fire Service Buildings	585	585	202	213	13,160	21,849	0.0%	14.2%	81.4%	4.4%	0.0%
	Indoor Sports Stadium	–	–	75	75	11,527	15,815	0.0%	0.0%	100.0%	0.0%	0.0%
	Council Offices /Administration Centres	–	–	500	674	25,460	33,896	0.0%	71.9%	28.1%	0.0%	0.0%
	Council Works Depot	640	–	370	131	5,549	13,922	0.0%	0.0%	97.9%	2.1%	0.0%
	Council Public Halls	217	217	202	213	38,378	66,373	0.0%	10.9%	89.1%	0.0%	0.0%
	<b>Sub-total</b>	<b>6,085</b>	<b>15,892</b>	<b>2,317</b>	<b>2,086</b>	<b>163,640</b>	<b>265,361</b>	<b>3.1%</b>	<b>27.2%</b>	<b>67.3%</b>	<b>2.4%</b>	<b>0.0%</b>
Other structures	Other structures	181	181	75	262	15,673	37,979	12.0%	31.0%	37.5%	19.0%	0.5%
	Wharves, Pontoons & Seawalls	1,750	1,750	277	324	2,156	3,541	10.0%	20.0%	20.0%	15.0%	35.0%
	<b>Sub-total</b>	<b>1,931</b>	<b>1,931</b>	<b>352</b>	<b>586</b>	<b>17,829</b>	<b>41,520</b>	<b>11.8%</b>	<b>30.1%</b>	<b>36.0%</b>	<b>18.7%</b>	<b>3.4%</b>
Roads	Sealed Road	200	200	1,161	1,334	448,210	518,783	37.8%	32.8%	19.5%	6.8%	3.2%
	Unsealed roads	473	473	256	130	196	2,754	0.0%	0.0%	100.0%	0.0%	0.0%
	Bridges	59	59	21	–	19,006	25,157	48.8%	44.7%	6.2%	0.0%	0.3%
	Footpaths	198	198	628	638	54,016	87,491	21.3%	2.9%	64.0%	11.7%	0.1%
	Traffic Facilities	425	425	277	203	14,928	20,417	38.8%	48.1%	9.9%	2.5%	0.7%
	Signs	11	11	48	98	5,837	5,843	66.2%	0.1%	32.8%	0.0%	1.0%
	Traffic Barrier Fencing	97	97	63	46	3,521	4,807	90.9%	6.3%	0.0%	2.8%	0.0%
	Car Parks	679	679	53	107	3,382	5,076	22.9%	0.9%	62.8%	0.0%	13.4%
	Cycleways and Shared path	51	13,692	32	4	343	900	5.0%	11.0%	64.0%	15.0%	5.0%
	Kerb and Gutter	29	29	224	229	56,011	88,203	13.0%	2.4%	84.2%	0.5%	0.0%
	<b>Sub-total</b>	<b>2,222</b>	<b>15,863</b>	<b>2,763</b>	<b>2,789</b>	<b>749,038</b>	<b>759,431</b>	<b>33.6%</b>	<b>25.8%</b>	<b>32.0%</b>	<b>6.1%</b>	<b>2.5%</b>
Stormwater drainage	Pipes	1,002	10,564	554	582	423,400	551,291	10.7%	87.8%	1.3%	0.2%	0.0%
	Culverts	114	114	33	35	25,548	30,727	44.3%	52.5%	2.9%	0.4%	0.0%
	Head Walls	15	15	–	1	489	514	10.0%	15.0%	60.0%	10.0%	5.0%
	Channels	21	21	4	4	2,896	3,939	2.9%	86.3%	10.8%	0.0%	0.0%
	Pits	500	500	106	110	79,804	101,341	23.5%	72.3%	3.8%	0.4%	0.1%
	<b>Sub-total</b>	<b>1,652</b>	<b>11,214</b>	<b>697</b>	<b>732</b>	<b>532,137</b>	<b>687,812</b>	<b>14.0%</b>	<b>83.9%</b>	<b>1.9%</b>	<b>0.2%</b>	<b>0.0%</b>

## Hornsby Shire Council

## Report on infrastructure assets as at 30 June 2025 (unaudited) (continued)

as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024/25 Required maintenance <sup>a</sup>	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Open space / recreational assets	Aquatic Centres	—	—	511	749	37,438	46,075	0.0%	21.4%	78.6%	0.0%	0.0%
	<b>Sub-total</b>	<b>—</b>	<b>—</b>	<b>511</b>	<b>749</b>	<b>37,438</b>	<b>46,075</b>	<b>0.0%</b>	<b>21.4%</b>	<b>78.6%</b>	<b>0.0%</b>	<b>0.0%</b>
	<b>Total – all assets</b>	<b>11,890</b>	<b>44,900</b>	<b>6,640</b>	<b>6,942</b>	<b>1,500,223</b>	<b>1,800,199</b>	<b>20.3%</b>	<b>48.2%</b>	<b>27.0%</b>	<b>3.5%</b>	<b>1.0%</b>

(a) Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

## Hornsby Shire Council

### Report on infrastructure assets as at 30 June 2025 (unaudited)

as at 30 June 2025

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2025	Indicator 2025	Indicators 2024      2023		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals <sup>1</sup>	21,120	98.40%	155.72%	99.46%	> 100.00%
Depreciation, amortisation and impairment	21,463				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	11,890	0.76%	0.67%	1.75%	< 2.00%
Net carrying amount of infrastructure assets	1,562,994				
Asset maintenance ratio					
Actual asset maintenance	6,942	104.55%	96.99%	90.19%	> 100.00%
Required asset maintenance	6,640				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	44,900	2.49%	2.59%	3.96%	
Gross replacement cost	1,800,199				

(\*) All asset performance indicators are calculated using classes identified in the previous table.

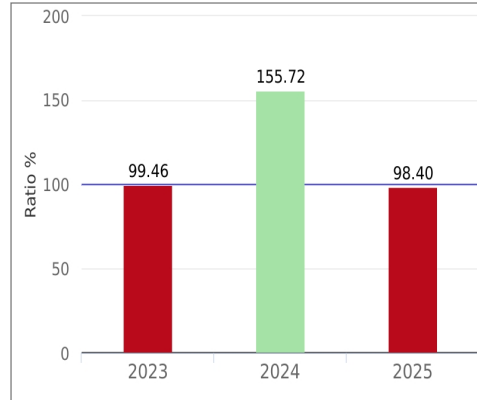
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

## Hornsby Shire Council

### Report on infrastructure assets as at 30 June 2025 (unaudited)

as at 30 June 2025

#### Buildings and infrastructure renewals ratio



##### Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

##### Commentary on result

24/25 ratio 98.40%

Council continues to fund asset renewals to near benchmark levels, assisted through the SRV. Council's adopted Asset Management Plans are integrated into the annual budget and the LTFP. Renewals expenditure varies from year to year depending on the lifecycle of assets and the timing of required renewal.

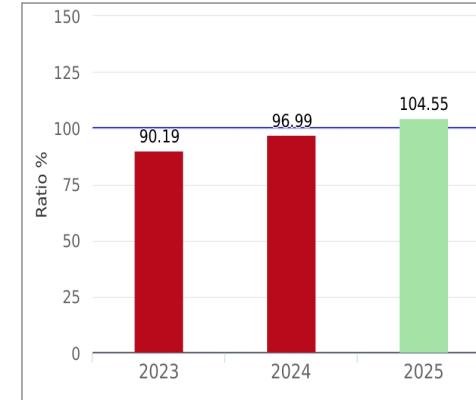
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

#### Asset maintenance ratio



##### Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

##### Commentary on result

24/25 ratio 104.55%

The maintenance ratio has improved due to the continued expenditure of additional funding received from Council's successful SRV application and is now above the benchmark. Council continues on a path of collecting further data on its asset base to assist with planning for future asset maintenance needs.

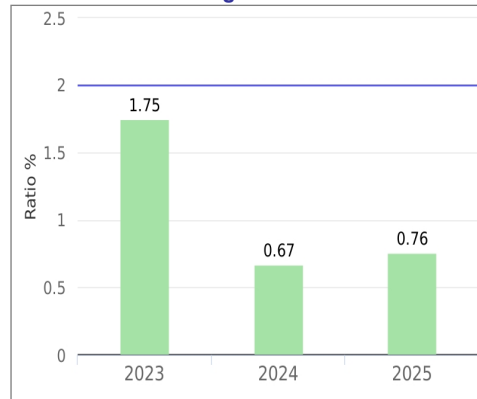
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

#### Infrastructure backlog ratio



##### Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

##### Commentary on result

24/25 ratio 0.76%

This ratio is in line with the prior year as Council continues to expend funding received from its successful SRV application on maintaining the asset base. As further maintenance gaps are identified and funded this ratio is expected to further reduce.

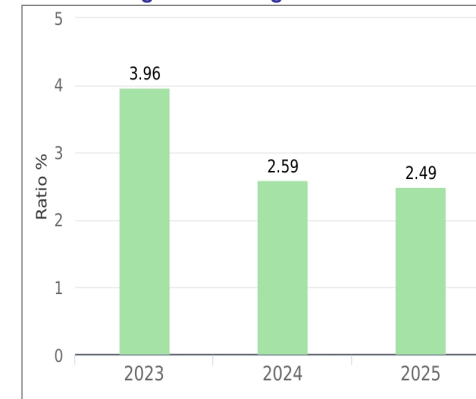
Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

#### Cost to bring assets to agreed service level



##### Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

##### Commentary on result

24/25 ratio 2.49%

This ratio is in line with the previous year and includes works fully funded by Council's SRV to delivery strategic initiatives to the community comprising sporting amenity buildings, an expanded cycling and shared path network and the upgrade of stormwater drainage infrastructure.